



Department of Justice

United States Attorney Leura G. Canary
Middle District of Alabama

FOR IMMEDIATE RELEASE

CONTACT: Retta Goss
Telephone (334) 223-7280

www.usdoj.gov/usao/alm

**ELBA BUSINESSMAN SENTENCED TO 58 MONTHS IMPRISONMENT FOR BANK
FRAUD**

Former Owner of Mobile Attic Engaged in a \$8 Million Check Kiting Scheme

Montgomery, Alabama - Leura G. Canary, United States Attorney for the Middle District of Alabama, announced that on January 26, 2011, Peter L. Cash, age 50, was sentenced by U.S. District Judge W. Keith Watkins to 58 months in federal prison for engaging in check kiting and loan fraud.

According to court records, Cash was a director of the Peoples Bank of Coffee County (now known as Troy Bank and Trust Co.). Cash owned or otherwise controlled Bridgeville Trailers, Inc. ("Bridgeville"), Cash Brothers Leasing, Inc. ("Cash Bros."), and Mobile Attic, Inc. ("Mobile Attic").

Between October 2005 and July 2008, Cash "kited" checks among various accounts held by these businesses at Peoples, Wachovia Bank, Community Bank and Trust of Southeast Alabama, and The Citizens Bank. Cash would continuously draw an insufficient check on one of these accounts and deposit the check in another account, thus giving the banks the false impression that there were significant balances in the accounts and causing the banks to honor checks that the banks would have dishonored had they known the true state of affairs. In effect, the kite created an involuntary overdraft loan to Cash's businesses, the amount of which—\$8,123,738—only became apparent when the kite ended in July 2008. Certain property of

Cash's has been sold with the proceeds used to reduce the debt, with the current amount owed approximately \$7,566,367. Citizens and Peoples are involved in litigation that will determine the amount of the loss to be borne by each bank.

In addition to the check kiting scheme, in May 2008, Cash proposed that Trinity Bank loan Cash Bros. \$1.5 million to finance Cash Bros.' purported purchase of 600 storage containers from Mobile Attic. The storage containers were to be the collateral for the loan. In order to induce Trinity to make the loan, Cash provided Trinity with a forged document purporting to be an invoice from Mobile Attic to Cash Bros. reflecting the sale of the storage containers to Cash Bros. for a total price of \$1,810,000. In fact, no such storage containers had been sold. On or about June 16, 2008, Trinity funded the loan to Cash Bros. in the approximate amount of \$1,502,676. Since the storage units did not exist, Trinity ended up making what in effect was an unsecured loan to Cash Bros. Trinity has suffered a significant loss on this loan.

Judge Watkins ordered Cash to surrender to begin serving his sentence on March 1, 2011.

The case was investigated by the United States Secret Service and the Federal Deposit Insurance Corporation's Office of Inspector General and was prosecuted by Assistant U.S. Attorney Andrew O. Schiff.